

Cow Country Reporter



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November is a month where we pause and give thanks for our many blessings. We celebrate Election Day, a day that we have the freedom to vote for our candidate of choice, thanks to our Veterans who fought to preserve this freedom. We end the month with Thanksgiving, a day where we gather to look back at our many blessings and give thanks for them.

For us in the cattle business, it has been a challenging year. We dealt with rain, drought, falling prices and overall poor timing for all these events. What did we learn from these events? First, we know we can't control the weather or the market, however, we do have control over when we market our calves. Living in Louisiana allows us the flexibility to grow forages year-round and we need to take advantage of this blessing. We

have local auction markets, order buyers and video reps that are willing to assist us in marketing our commodity – calves/yearlings. You have heard me “preach” before on establishing a working relationship with marketing agents and letting them know when you plan to market and what you have to sell well ahead of time which allows them the opportunity to check out the market. For us in Louisiana, November finishes up our marketing of calves for all practical purposes. Yes, there are some replacement sales and maybe some cull cows to sell, but we need to review our year and see if we could have done some things differently. Let me know if you want a meeting in your region to discuss the past events.

May you and your family have a Blessed Thanksgiving!

Dave Foster, CEO

ISSUES IN AGRICULTURAL AND FOOD MARKETS

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

Last week was a busy travel week as I attended and presented at three very different conferences. First was the Global Protein Summit in Chicago; followed by the Rural Economic Outlook Conference at Oklahoma State University in Stillwater; and ending the week with a series of seminars at the Expo Ganadero in Chihuahua, Mexico. Though these conferences covered a wide range of topics, several themes were consistent across at least two or sometimes all three conferences.

All conferences included the widely discussed trend of global population growth and the challenges of feeding the world. Global population is projected to increase from the current 7.7 billion people to over 9.5 billion by 2050 and to exceed 11 billion before the end of the century. One presentation noted that while current attention is on growing Asian populations, Asia will peak in the next two decades and population growth in Africa, which is just beginning to grow rapidly, will dominate global population growth in the last half of the century.

As important as population growth, perhaps more so for meat industries, is economic growth and the growing middle class. Globally, the middle class is projected to expand from two billion to 4.9 billion people by 2030. China alone is projected to add 850 million new middle class consumers by 2030. It is well documented that meat consumption increases as growing incomes support better quality diets and increased protein consumption.

Two different presentations by speakers from the Federal Reserve noted that the U.S. is currently experiencing a very long period of relatively weak economic growth. These and other presentations noted that the shrinking U.S. labor force is contributing to the slow pace of economic growth. As the U.S. population ages, fewer new labor force entrants are available to replace those leaving the work force. It was also noted that productivity growth will not likely be sufficient to offset the declining labor force.

Other labor presentations noted the important role of immigrants

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historically in food and agricultural industries and the growing need for low to medium skilled workers to support all aspects of agricultural and food production, including vegetable and fruit harvest; dairy, ranch and feedlot workers; labor for food processing and manufacturing; and restaurant servers and chefs. Recent research conducted by Oklahoma State University confirmed the pervasive labor issues and challenges in all sectors of the beef industry from packers to further processing and food distribution to retail and food service*.

The growing reality of the massive impact of African Swine Fever (ASF) was another common topic in these conferences. The rapidly changing dynamics of this disease suggest that the impacts are global in nature and not only for the coming weeks and months but likely will fundamentally impact global protein markets for years or decades. It appears at this time, that swine and pork losses in China, Vietnam, North and South Korea, and the Philippines along with other outbreaks of ASF in Europe and Africa is creating a protein deficit that cannot be currently filled by all proteins in the world.

Finally, the conferences included discussions about alternative proteins, particularly plant-based proteins. Various perspectives noted that some in both the meat and plant-based protein markets view each other as competitors battling to replace the other. There was also recognition that the markets may be complementary, not only for retail and food service businesses to offer a more comprehensive set of protein product choices to consumers; but also the reality that it will likely take both meat and plant-based protein to feed the world through the remainder of the century.

**Clark, Lauren Elizabeth. "Disaggregating Beef Demand: Data Limitations and Industry Perspectives." , Unpublished M.S. Thesis, Oklahoma State University, May, 2019*

CATTLE COULD SUFFER FROM BLOAT WHEN GRAZING ON LEGUMES A DAY OR TWO AFTER A HARD FROST

This is the time of year when temperatures dip below or come close to freezing across Iowa. What does this mean for forage crops, particularly forage crops such as sudangrass, sorghum and sorghum sudangrass hybrids?

A frost event, even a light frost, with sudangrass, sorghum and sorghum sudangrass hybrids causes prussic acid to build up in the forage. Special steps should be taken to manage the forage to prevent prussic acid poisoning with livestock.

Steve Barnhart, retired Iowa State University Extension forage specialist, wrote these helpful articles Prussic Acid Poisoning Potential in Frosted Forages and Flurry of Forage Questions Come with First Fall Frost and Freeze . The articles include timely tips on how to manage frosted forages.

Be careful with sorghum-sudan forages

Key points Barnhart shares in these articles on managing frosted forages, such as sudangrass, sorghum and sorghum sudangrass hybrids, include:

Do not graze on nights when frost is likely. High levels of the toxic compounds are produced within hours after a frost.

Immediately after frost, remove the animals until the grass has dried thoroughly. Generally, the forage will be safe to feed after drying five to six days.

Do not graze wilted plants or plants with young tillers or new regrowth. If new shoots develop after a frost, they will have high poisoning potential. Sudangrass should not be grazed until the new growth is at least 18 to 20 inches (24 to 30 inches for sorghum-sudangrass).

Frosted or frozen forage should be safe once baled as dry hay. The forage can be mowed any time after a frost. It is very rare for dry hay to contain toxic levels of prussic acid. If the hay was not properly cured, it should be tested for prussic acid content before feeding.

Waiting five to seven days after a frost to chop frosted forage for silage will limit prussic acid risks greatly.

Delay feeding silage for eight weeks after ensiling.

Remove animals from field

"The first few frosts raise the potential for prussic acid poisoning with sorghum-forages," says Brian Lang, ISU Extension field agronomist in northeast Iowa. "When grazing or green-chopping forage species that have prussic acid potential, you should avoid grazing on nights when frost is likely. High levels of prussic acid are produced within hours after a frost. Remove animals from the field if a frost is predicted. If a frost occurs, do not re-introduce animals to the field until the forage has dried thoroughly and has turned a light-tan color."

Without the occurrence of a killing frost (28 degrees F), fall-harvested sorghum-sudan forages will still try to regrow, Lang says. This regrowth will contain high levels of prussic acid. So, after harvest, keep livestock off these fields until after a killing frost that will turn the plant tissue from wet, dark-green to black and then a tan-gray color. This usually takes five to seven days. Once at the tan-gray color, the forage is safe to graze.

Managing prussic acid potential

Prussic acid content decreases dramatically during the hay drying process or ensiling, Lang notes. When ensiling frosted sorghums or sudangrass, it's suggested to wait about five days after the frost before chopping to get past that elevated rise in prussic acid produced following a frost. Although, as long as you follow good ensiling practice and allow for full fermentation of the silage (at least eight weeks from harvest to feeding), the prussic acid content in the end product is greatly reduced. Testing the feed to determine prussic acid potential prior to feeding is advised.

"If you can achieve a dry hay product, the hay curing process rids the plant of most of the prussic acid content," he says. "The difficulty, of course, is to achieve dry hay in October." Also, with poor drying conditions for a hay option, "harvesting forage as baleage could be considered."

Alfalfa, frost and final harvest

An alfalfa killing frost is around 24 to 25 degrees. Maybe some low spots in northeast Iowa got this cold for a short time during the weekend of Oct. 11 when the temperature dropped below freezing in northern and western Iowa.

"More likely a region-wide northeast Iowa killing frost occurs closer to Oct. 27, and farther south in northeast Iowa in mid-November — the Highway 20 region," Lang says. "However, you should still be cautious of light frosts

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CATTLE COULD SUFFER FROM BLOAT WHEN GRAZING ON LEGUMES A DAY OR TWO AFTER A HARD FROST

and heavy morning dews in that they can create an environment for slightly higher bloat potential with cattle grazing in early morning.”

He adds, “For northeast Iowa, from the Minnesota state line down to about the Highway 20 region, regardless of a killing frost the weekend of Oct. 12-13, or even in late October or mid-November, the remaining alfalfa growing degree days for the 2019 growing season are so few that you can proceed to harvest the alfalfa anytime you have a fair harvest window.

“Try to leave some stubble height — up to 6 inches is preferred, at least 4 inches if you can — to help catch snow and insulate the stand overwinter. Farther south, such as the Highway 30 region across central Iowa, the warmer weather and calculated growing degree day accumulations suggest that it’s best to wait until about Oct. 21 before cutting.”

Source: ISU, which is responsible for the information provided and is wholly owned by the source. Informa Business Media and subsidiaries aren’t responsible for content.

MORE HEIFERS ON FEED KEEPING SLAUGHTER HIGHER IN 2019

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

The October USDA Cattle on Feed report contained no big surprises. The feedlot inventory on October 1 was 11.3 million head, down 1.1 percent from one year ago. This is the second consecutive month of year over year decline in feedlot totals. Placements in September were 102.0 percent of last year while September marketings were 101.1 percent of one year ago. September 2019 had one more business day compared to last year. The twelve month moving average feedlot inventory reached 11.6 million head in August and has dropped slightly in the past two months. It is possible that feedlot inventories have peaked cyclically although there is still a chance that average feedlot totals could push slightly higher into early 2020.

The quarterly cattle on feed numbers for October 1 showed that the number of steers on feed was 6.9 million head, down 3.1 percent year over year. The number of heifers on feed was 4.4 million head, 2.3 percent higher year over year compared to October 1, 2018. Over the last 20 years, heifers have represented an average of 36.7 percent of feedlot inventories. On October 1, 2019, heifers represented 39.1 of feedlot inventories; the highest percentage in more than 18 years. This is up from 31.0 percent on April 1, 2015; a record low heifer on feed percentage which occurred early in the current herd expansion.

Total steer and heifer slaughter thus far in 2019 is up 1.0 percent year over year. Year to date steer slaughter is down 2.4 percent year over year while heifer slaughter is up 7.4 percent from one year ago. Yearling carcass weights are approaching a seasonal peak in late October or early November. Latest weekly steer carcass weights are 901 pounds, two pounds higher year over year. However, steer carcass weights have averaged 4.6 pounds less than last year thus far in 2019. Current heifer carcass weights are 828 pounds, three pounds less than the same week last year. Year to date heifer carcass weights have averaged 5.4 pounds less year over year.

Total cow slaughter is up 3.0 percent for the year to date; including a 3.5 percent increase in dairy cow slaughter and a 2.4 percent increase year over year in beef cow slaughter. The latest weekly cow carcass weights are 4 pounds less than one year ago at 631 pounds and have averaged 6.6 pounds less thus far this year. Total cattle slaughter is up 1.3 percent year over year for the year to date.

Modest increases in yearling and cow slaughter combined with lower carcass weights results in year to date beef production up 0.5 percent year over year. Beef production for 2019 is projected to total 27.1 billion pounds, 0.7 percent higher year over year. Beef production is expected to peak cyclically in 2020 with a slight year over year increase to 27.2 billion pounds.

CHINA’S MEAT IMPORTS SET TO INCREASE RAPIDLY AS ASF CONTINUES

Put together an animal disease disaster and more than a billion people and what do you get? An opportunity.

By: Nevil Speer

This is the second in a series featuring the outbreak of African swine fever (ASF) in China. There’s been a myriad of stories appearing in popular media during the past month or so. Across those stories exists a wide variety of estimates assessing the impact of what’s really occurring. Accordingly, it’s important to cut through some of the noise and provide a broader overview in order to better understand implications to the global meat market.

Last week’s column highlighted China’s lost pork production as a result of ASF and provided U.S. data for comparative purposes. By many estimates, roughly 40-50% of China’s sow herd has died as a result of ASF. While it’s hard to get a precise handle on production estimates coming from China, the country’s annual pork production will have declined from roughly 55 million metric tons (mmt) prior to ASF to somewhere around the mid-30 mmt level in 2020.

As such, the shortfall is likely to approach 22-25 mmt next year. That’s an impossible hole to fill.

As noted last week, the shortfall is roughly twice the total annual production in the United States and eight times the entire U.S. pork export projection. Nevertheless, China will be forced to bid up meat prices and increase imports of protein into the country.

USDA projects China’s beef imports surging to 2.9 mmt (~6.4 billion pounds) in 2020 and pork imports climbing to 3.5 mmt (7.7 billion pounds). Those estimates represent roughly 30% and 35% of total global imports for beef and pork, respectively. Alternatively, China’s projected beef imports in 2020 are about twice the amount of total U.S. beef export volume and just slightly ahead of total U.S. pork export volume.

The numbers are staggering, yet still leave a huge gap in China’s total meat supply. Clearly, this will continue to impact world protein flow and potentially be disruptive to markets. Stay posted.

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NOW MORE THAN EVER, WE NEED RANDOM ACTS OF KINDNESS

This may well be the most challenging year ever for beef producers.

By: Burt Rutherford

Thanks to technology and a daughter with a Type A personality, I may be the last generation to bemoan our lost family history. You know the kind—the stories and memories told by my father and grandfather that were never recorded or put down in writing.

My daughter will have less to bemoan. She signed my mother and I up with an outfit called Story Worth that sends an email question—a prompt, my teacher wife would call it—to stir memories from the back of our minds and encourage us to put them down in writing. These memories are then assembled into a book and those small but important parts of family history—the stories and memories we all have—are preserved forever.

While that is not the main topic of this blog, it has been a great experience. If you have said the same thing as I have, wishing you had the brains to record some of the old-timer's stories, I encourage you to check it out.

What prompted this blog is a recent question from Story Worth that is relevant for all of us, especially in a year like this one.

The question: Have you ever given or been the recipient of a random act of kindness?

For many years, I was blessed to have as a friend and mentor a WW II veteran who spent the last year of the war in a German POW camp. One of his sayings was that you should do something good for someone every day, but if they knew about it, it didn't count.

I've kept that memory and tried to honor it. But I'm afraid that I've been the recipient of those acts of kindness far more than I've been the giver.

Some have said this is the most challenging year ever in modern beef production. For many, I have no doubt that's true. And we still are dealing with wacky weather, flooding, an uncertain market and uncertain economic future, to name just a few.

But through it all, I suspect many have both given and received those random acts of kindness.

Don't stop. Now more than ever, we need to seek the good, find the best in ourselves and others, and do something good for someone every day.

And even if they know about it, it still counts.

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